

REMARKS

Claims 1-37 are in the application.

Claims 6, 7, 8, and 14 are amended.

Claims 1-37 are rejected under 35 USC 103(a) as being obvious over Friedland et al. in view of Alaia et al. Applicants reserve the right to amend the cited references, but elect not to do so at this time, since these are believed distinguished.

Friedland et al. is cited for the proposition that an Internet-based multiple unit declining price auction (e.g., the Dutch Auction) was known prior to the invention. Clearly, the Dutch Auction was well known. However, the application of this technology to the Internet is not without its problems, as noted by Friedland et al. First, the Internet and its underlying protocols do not guarantee delivery of any packets, making an implementation of a time-critical offer-acceptance transaction difficult. Likewise, while error detection and correction, as well as packet delivery confirmation and retransmission aspects of the protocols can ensure that, so long as the communication link is open, the message eventually gets through, it cannot guarantee that this occurs in real-time. Thus, packets sent earlier may be received later.

Alaia et al. do not remediate the deficiencies of Friedland et al. or other known prior art with respect to the claims as noted below.

In the context of a time-based declining price auction, real time communications, or at least a mechanism for compensation for possible time delays, are critical, in order to assure fairness. However, normal web browsers, without ancillary programming logic, have no means for implementing these compensations (without opening the auction process to the possibility of fraud).

The present invention, therefore proposes an architecture which provides an intermediary "remote server" which permits a local client to employ a traditional web browser, without particular modification or add-ons, to interact with the central server.

Once the remote server is provided, it may perform a variety of functions. For example, it may convert the format of communicated information, such as by compressing, reformatting, translating, or otherwise altering a format of the data. Thus, while a web browser client expects to interact with a server by means of a hypertext markup language protocol, e.g., "http://", the communication between remote server and

central server need not conform to this specification, and indeed may adopt a different and/or more optimal protocol. The remote server may maintain clock synchronization with the central server, and thus reliably time-stamp packets.

This modification is expressed in the following language in claim 1: "wherein remaining quantity information and bid identification information are communicated between the central server and a plurality of local servers, each local server communicating with at least one respective remote location, each local server altering a format of information communicated between a remote location and the central server."

Another advantage of the remote server is that it is capable of performing logical operations, and therefore may interact directly with the remote location, e.g., web browser, without acting as a simple proxy for communications from the central server. Thus, the remote server may implement a set of rules, such as time-based rules, to offload the central server of functionality that may be decentralized.

Claim 21 thus includes the step of: "implementing the set of rules of transaction proximate to a client for ensuring compliance with each of said rules".

Claim 6 has been amended without prejudice or disclaimer, to recite a limitation within the scope of the rationale for patentability for claims 1 and 21, as follows: "receiving bid identifications for remaining units within the lot at the contemporaneous offering price from the plurality of remote locations by communicating between a set of users and a plurality remote servers at respective remote locations to interactively define the bid identifications, and communicating the defined bid identifications between the remote location and the central server substantially without interactive communications directly between the user and the central server ..."

Claim 8, amended without prejudice or disclaimer, has a slightly different expression of the patentable feature:

- "(c) automatically maintaining synchronization of a clock at each remote location and receiving at the central server bid identifications for remaining units within the lot at the contemporaneous offering price associated with a time of bid identification from the plurality of remote locations;

(d) decrementing the offering price over time and decrementing the quantity of remaining units, prioritizing award of units based on the time of bid identification, if received within a bid time window.

As discussed in the specification, the time of receipt of a bid may differ from the time of bidding. In order to make the auction fair, those bidders with superior communications infrastructure should not on that basis alone have a bidding advantage. Thus, the time of bid is used as an award criterion. On the other hand, the time of bidding is derived from a clock at the remote location, which may be subject to alteration or error. That is, the local clock may be intentionally mis-set or tampered with, resulting in a possible advantage. Thus, the clock is automatically synchronized, abating this possible issue. While this method claim does not explicitly define a server at the remote location, it does define functions which must be met by some hardware device. Thus, it is believed that claim 8 is patentable based on similar distinctions from the prior art as claims 1 and 21.

Claim 14, amended without prejudice or disclaimer, is similar to claim 8 as amended, and recites the step of: "over a period of time, generally relaxing a limiting restriction on acceptable transaction parameters for the subject, and prioritizing an award of a quantity of subject to a respective buyer based on a sequence of generation of bids, if received within a bid time window, wherein the sequence is determined based on an automatically synchronized timebase, which maximizes a seller utility ..." Thus, claim 14 also encompasses automatic synchronization of clocks and award based on the sequence of bid formulation.

It is respectfully submitted that neither of the applied references addresses an interactive communication hosted by a server remote from the central auction control server, which alters a format of communications or applies a set of rules. Likewise, none of the applied references addresses the issue of awarding the subject of the auction to the first bid generated, rather than the first bid received, thus limiting the unfairness resulting from disparities of communications infrastructure.

It is therefore respectfully submitted that the present claims are patentable, and a Notice of Allowance is respectfully solicited.

Respectfully submitted,



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